

CHARLIE MELANCON
3RD DISTRICT, LOUISIANA

COMMITTEE ON ENERGY
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COMMITTEE ON
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Congress of the United States
House of Representatives
Washington, DC 20515

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March 17, 2010

The Honorable Sander Levin
Chairman
Committee on Ways and Means
1102 Longworth HOB
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
1102 Longworth HOB
Washington, DC 20515

Dear Chairman Levin and Ranking Member Camp:

I write to request that you preserve a provision of the *American Workers, State, and Business Relief Act of 2010* that mirrors language I have introduced in the House to extend the placed-in-service date for affordable housing developments in the Gulf Opportunity Zone.

As you know, GO Zone low income housing tax credits have been vital in our effort to restore the number of affordable housing units along the Gulf Coast. Tough economic conditions, however, have prevented many of these projects from moving forward at the pace necessary to meet the current placed-in-service deadline of January 1, 2011.

Senate Amendment 3355, introduced by Senator Landrieu, would extend this deadline for two years, allowing 77 low income housing projects in Louisiana, Mississippi, and Alabama to move forward and creating more than 13,000 construction-related jobs. Neither this language nor my bill, H.R. 3929, would allocate additional credits, but would simply provide additional time for developers to take full advantage of the credits that were issued in the aftermath of the 2005 hurricanes.

Extending the placed-in-service deadline is critical to improving the availability of affordable housing along the Gulf Coast. FEMA estimates that the 2005 storms destroyed or heavily damaged 82,000 rental units, 54,000 of which served low-income populations. During his August 2009 visit to New Orleans, HUD Secretary Shaun Donovan emphasized the need to revitalize this housing and highlighted the importance of a placed-in-service extension.

With an extension, developers will be able attract investors to their proposed developments, have adequate time to overcome development barriers, and create more opportunities for residents displaced by the 2005 hurricanes to return home. Without an extension, more than 6,000 units will

go uncompleted. The loss of more than \$1 billion in economic activity – to the construction industry, suppliers, professionals, developers and others – would be a major blow to my state and the region.

The bipartisan leadership of the Ways and Means Committee has been invaluable to the Gulf Coast's recovery efforts. It is my hope that we can continue this leadership by including a placed-in-service extension in the final version of H.R. 4213. I appreciate your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charlie Melancon", with a stylized flourish at the end.

Charlie Melancon
Member of Congress